



SYSTEMATIZATION OF WORKPLACES: STILL VALID IN MODERN ORGANIZATIONS?

As far as I learned the basic consideration for systematizing work places, it was that all employees in similar work places shall be treated equally, so all of them belonging to “a certain box” have to work under the same conditions and receive the same salary.

Therefore, to make it short: **my answer to the question in the headline is NO!**

Imagine a production line where different workers in a team are basically doing the same job, meaning for instance, assembling certain components for the automotive industry.

Do you as the manager of this production line want these employees “just simply” to do their daily job routine, or do you also want to use any of their other capacities? Other capacities such as intellectual capital, or in other words: **do you also want to hear their ideas and proposals on how to improve efficiencies in the production process or how to cut costs?**

In that case you can’t see your employees anymore “in the same box”; on the contrary you as a manager have to promote the creativity and innovation of individual human beings. Bonuses for ideas or projects that people successfully finished will, according to my experience, **encourage them to act more as an entrepreneur than “just” an employee of your company.** And since every human being wants to be treated differently competition as a positive side effect will start among your staff.

A short sidestep: Dr. Aleksandra Kornhauser Frazer presented in her speech on this year’s autumn event of the Slovenian Manager’s Association one of the indicators for innovation, namely the number of spin-offs from universities. And Europe, as she said, is still far behind the United States. One of the reasons for this poor result is in my opinion simply connected to the existent systematization of work places in countries like Slovenia, because creative people need certain freedom (or in other words: no systematization) as well as “drivers” (or in other words: individual treatment) for being innovative.

How many different salary levels or coefficients did you implement in your company? Please be careful, I’m not talking about individual salary agreements, I’m still talking about different salaries for different groups of employees. **And do you believe that this motivates your successful employees to maybe achieve more than is written in their job descriptions, especially if having free-riders in their teams?**

Most **modern organized companies** that I know are using so called “**key performance indicators**” as a bilateral agreement between the employer and an employee. Individual performances can then be followed, compared with others and rewarded.

Of course this agreement has to be established in a fair way: the expected results have to be negotiated in a reasonable and cooperative way between the two parties, employer and employees. An order for certain key performance indicators from the top by knowing that they can’t be achieved is more the dictatorial approach



than the cooperative. And in such a case, employees don't have any alternatives, regardless of if they would like to accept the target or not.

By the way: I once also saw once a so called bonus-malus-system. People who reached their target received a bonus, but those one who did not received less salary than was stipulated in their labour contracts. Both from a legal and ethical point of view I can't agree with such a kind of "motivation".

Another reason that supports my opinion about systematized organization structures is **flexibility**. You as a manager are paid to lead your company to success. For that you have to, besides other issues, act according to market needs or to develop markets, **which is not possible in rigid and inflexible organizations**.

A very successful Slovenian bank with its main focus on housing finance wanted to develop a new product segment, namely project finance. But it was not just their idea, their competitors were also already thinking about such a development at this time.

Since it was not clear whether the new product segment would be successful or not, the product developers proposed to start the testing phase with their existing employees. An account manager with a relationship to the local real estate business was supposed to acquire the first project, and one professional from the housing and finance department, together with a legal expert, were both involved in the product development, and were supposed to be trained to analyse the first incoming project application.

But unfortunately this was not possible, because these employees referred to their labour contracts and their job descriptions, which did not foresee "dealing with project finance". **So the bank's management first had to adjust its organization, define new work places, talk to the union, negotiate with the employees about new conditions for the new product and so on and so on...**

Finally the new product was launched on the market, but with a higher concentration on administrative matters caused by an inflexible system of systematization than on market needs and demands.

And now, here is my last example that should underline my opinion about the systematization of work places:

In one of your departments there are let's say 20 experts for a certain job. One of them is suddenly knocking on your door saying: "Boss, I just received an offer from one of our competitors to work for him. Basically I would rather stay in our company, but I would ask you **to understand that I can't turn down a 500 Euro salary raise, or?!**"

What do most of the managers do, if they would like to keep this employee, in countries where systematization still exists? They create a new work place for this employee, so that they can then increase his or her salary without coming into conflict with the other 19 experts.

In my opinion managers should have the right to agree on labor conditions according to your evaluation ... **and on an individual level but without establishing a new work place!**